



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5b

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Memorandum

TO: Legislation Committee

DATE: May 2, 2008

FR: Executive Director

RE: Gas Tax Holiday

Description

Recent proposals by presidential candidates Hillary Clinton and John McCain have suggested suspending the 18.4-cent-per-gallon federal excise tax on gasoline for this summer's travel season. The candidates' ideas are now under consideration in Washington. Our estimate is that such a moratorium this summer would amount to an approximately \$9 billion loss to the Highway Trust Fund. As detailed in the attached draft letter, we propose that such a moratorium be opposed, on numerous grounds, and seek the committee's approval to convey this opposition to the Bay Area congressional delegation. Given the time sensitive nature of this issue, we request approval under the Commission's urgency procedures to convey this position immediately.

Recommendation: Oppose suspending the 18.4-cent-per-gallon federal excise tax on gasoline for this summer's travel season

Steve Heminger

Attachment

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